



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VIII

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<http://www.epa.gov/region08>

SDMS Document ID



2009634

March 7, 2003

Ref: 8EPR-SR

Mr. Paul Wisuri
First Guarantee Corporation
118-A North Second Avenue
Sandpoint, Idaho 83864

RE: Property located at 4809 Highway 2 West, Troy, Montana

Dear Mr. Wisuri:

I received your letter dated March 6, 2003 regarding the subject property. I am the EPA project manager for the investigation and cleanup of the Libby Asbestos Superfund Site. Mr. Jim Sherwood indicated to me on the phone that First Guarantee was concerned that the language in the appraisal of the property was inaccurate regarding the Libby Superfund Site and potential asbestos contamination in the area. He asked me to review the language and provide clarification from EPA's perspective. I am glad you contacted me as this is a very important issue for the Libby and Troy area.

The appraiser's statement has a few inaccuracies which I've discussed below:

- The former W.R. Grace vermiculite mine is not located "in the area of Troy" as written, but rather is located approximately two miles to the northeast of Libby. As you know, Troy (where the subject property is located) is located approximately fifteen miles west of Libby. The subject property is likely over twenty miles to the west of the former vermiculite mine.
- The "area is contaminated with asbestos" is too vague a statement to be of any value. Since EPA began conducting investigation and cleanup in the Libby area in late 1999, we identified where the most significant contamination existed and we have addressed it. In essence, the worst source areas were shut down years ago and are now cleaned up. Access to the mine, which remains contaminated, is restricted. Focus now has shifted to individual properties where asbestos-containing vermiculite may have been placed. Properties needing cleanup are handled by EPA at no cost to property owner.
- "Tests are currently being conducted....to continue through summer 2002." Various sampling activities will occur for some time beyond 2002, but much is already known about the asbestos issues in Libby. For instance, contamination is generally limited to



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specific areas where it was placed or used (such as a garden). We have not seen an overall trend that the entire area is contaminated as the appraiser's statement implies and there is no formal boundary for the Superfund Site that signifies a contaminate area. In fact, most properties in Libby will not require any cleanup. There are no longer any overall concerns with ambient air in the general area. EPA and our contractors live and work in the Libby area. There is also no overall concern with asbestos in ground water and EPA has no plans to sample groundwater for asbestos outside of few select areas near the mine.

Because of its relative proximity to Libby, and more importantly the fact that many former W.R. Grace employees lived in Troy, we are expanding our investigation to that general area in 2004. We expect to find no major source areas as we did in Libby, because no vermiculite processing facilities were located in Troy. The area is also upwind of the mine site. While we have not yet defined our "study area," it will likely not include the area where the subject property is located because of its distance from the "downtown" area of Troy. Again, the focus will be investigating individual properties for materials that originated at the mine. We expect that most properties in Troy will be free from contamination.

This letter, coupled with the general information letter that EPA sent out last year, should provide a more accurate description of the situation in the Libby/Troy area. It is our hope that lenders and appraisers make decisions based on the most factual, up-to-date information possible, rather than rely on outdated or inaccurate blanket statements. When there is a concern, we often write letters for property owners or lenders regarding individual properties in Libby. Even if the home requires cleanup, this is usually sufficient for a loan to be secured.

I hope this helps with the situation. Feel free to share this letter with anyone. Please contact me at (303) 312-6748 if you have any additional questions.

Sincerely,



Jim Christiansen
Superfund Project Manager



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